Union Calendar No.

114TH CONGRESS 1ST SESSION H.R. 1525

[Report No. 114-]

To require the Securities and Exchange Commission to make certain improvements to form 10–K and regulation S–K, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

March 23, 2015

Mr. Garrett introduced the following bill; which was referred to the Committee on Financial Services

June --, 2015

Committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

A BILL

To require the Securities and Exchange Commission to make certain improvements to form 10–K and regulation S–K, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Disclosure Moderniza-
- 5 tion and Simplification Act of 2015".
- 6 SEC. 2. SUMMARY PAGE FOR FORM 10-K.
- 7 Not later than the end of the 180-day period begin-
- 8 ning on the date of the enactment of this Act, the Securi-
- 9 ties and Exchange Commission shall issue regulations to
- 10 permit issuers to submit a summary page on form 10-
- 11 K (17 C.F.R. 249.310), but only if each item on such
- 12 summary page includes a cross-reference (by electronic
- 13 link or otherwise) to the material contained in form 10-
- 14 K to which such item relates.
- 15 SEC. 3. IMPROVEMENT OF REGULATION S-K.
- Not later than the end of the 180-day period begin-
- 17 ning on the date of the enactment of this Act, the Securi-
- 18 ties and Exchange Commission shall take all such actions
- 19 to revise regulation S-K (17 C.F.R. 229.10 et seq.)—
- 20 (1) to further scale or eliminate requirements of
- 21 regulation S-K, in order to reduce the burden on
- 22 emerging growth companies, accelerated filers,
- smaller reporting companies, and other smaller
- 24 issuers, while still providing all material information
- 25 to investors;

1	(2) to eliminate provisions of regulation S-K,
2	required for all issuers, that are duplicative, overlap-
3	ping, outdated, or unnecessary; and
4	(3) for which the Commission determines that
5	no further study under section 4 is necessary to de-
6	termine the efficacy of such revisions to regulation
7	S-K.
8	SEC. 4. STUDY ON MODERNIZATION AND SIMPLIFICATION
9	OF REGULATION S-K.
10	(a) STUDY.—The Securities and Exchange Commis-
11	sion shall carry out a study of the requirements contained
12	in regulation S–K (17 C.F.R. 229.10 et seq.). Such study
13	shall—
14	(1) determine how best to modernize and sim-
15	plify such requirements in a manner that reduces
16	the costs and burdens on issuers while still providing
17	all material information;
18	(2) emphasize a company by company approach
19	that allows relevant and material information to be
20	disseminated to investors without boilerplate lan-
21	guage or static requirements while preserving com-
22	pleteness and comparability of information across
23	registrants; and
24	(3) evaluate methods of information delivery
25	and presentation and explore methods for discour-

1	aging repetition and the disclosure of immaterial in-
2	formation.
3	(b) Consultation.—In conducting the study re-
4	quired under subsection (a), the Commission shall consult
5	with the Investor Advisory Committee and the Advisory
6	Committee on Small and Emerging Companies.
7	(c) Report.—Not later than the end of the 360-day
8	period beginning on the date of enactment of this Act, the
9	Commission shall issue a report to the Congress con-
10	taining—
11	(1) all findings and determinations made in car-
12	rying out the study required under subsection (a);
13	(2) specific and detailed recommendations on
14	modernizing and simplifying the requirements in
15	regulation S–K in a manner that reduces the costs
16	and burdens on companies while still providing all
17	material information; and
18	(3) specific and detailed recommendations on
19	ways to improve the readability and navigability of
20	disclosure documents and to discourage repetition
21	and the disclosure of immaterial information.
22	(d) Rulemaking.—Not later than the end of the
23	360-day period beginning on the date that the report is
24	issued to the Congress under subsection (c), the Commis-

- 1 sion shall issue a proposed rule to implement the rec-
- 2 ommendations of the report issued under subsection (c).
- 3 (e) Rule of Construction.—Revisions made to
- 4 regulation S–K by the Commission under section 3 shall
- 5 not be construed as satisfying the rulemaking require-
- 6 ments under this section.